Tom Cronkright

- Co-Founder and CEO, CertifID
- Licensed Attorney
- Large Title Agency Owner
- Wire Fraud Victim
- National Speaker on Wire Fraud and Cyber Security

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Today’s Topics

• Title insurance v. escrow and closing services

• Wire Fraud Playbook - real estate

• The size and scope of wire fraud in real estate

• Fraud repercussions

• Action items
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Title Insurance:

“Core Title Services” per RESPA:

• Search and examination of records to determine insurability of title;
• Prepare and issue the title commitment that obligates the insurer to issue a policy if conditions are met;
• Clearing underwriting objections and policy conditions;
• Issuing title insurance policies;
• [Closing and settlement (if customary)]
Escrow and Closing Services

Escrow and Closing Includes:

• Transaction coordination;
• Closing and notarization of documents;
• Disclosure (CD) and closing statement preparation;
• Collection of all incoming funds for closing;
• Closing;
• Disbursements to all parties and lien holders;
• Post-closing activities (recordings, lien releases, mortgage discharges etc.); and
• Confirm satisfaction of all requirements to issue the title insurance polic(ies).
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Steps to Committing Fraud

1. Phish
2. Access
3. Monitor
4. Obtain
5. Impersonate
6. Manipulate
7. Transfer
1. They are incredibly lucrative
(avg $200,000)
Why real estate transactions?

2. Transactions involve multiple parties all communicating electronically.
3. All the information to start a fraud is easily found online.
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Wire fraud is the fastest growing cyber crime in the U.S. with over $90Bil in attempted losses reported from June ‘16 to December ‘18. Last year, the FBI tracked $1.5Bil in losses, just 15% of what was actually lost.

Real estate transactions are an easy target for cyber criminals as they involve multiple parties, long transaction cycles, readily-available public information, and large buckets of money.

Title agents are sustaining crippling losses and recent revisions to the Closing Protection Letter (CPL) specifically exclude underwriter liability for losses due to wire fraud.

80% of real estate wire fraud scams target buyers.
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[Plaintiff] is granted judgment against defendants [broker and agent], jointly and severally, on his claim for negligent misrepresentation in the amount of $167,129.27…

Bain v. Platinum Realty LLC et al., Case No. 16-CV-02326-JWL, Dist. Court, D. Kansas, 2018
Jury Question #1

During Deliberations

Bain Case
Any duty [the bank] owed to [the law firm] was a contractual duty... not a duty based on social policy. Thus, [the law firm] may not recast their breach of contract claims against [the bank] as a tort-based claim.

The computer hacker, of course, is the real culprit but is not a party to this lawsuit. For the reasons [stated in the opinion], as between the law firm and the bank, the law firm must bear the loss based on the facts set forth in the amended complaint.

OUR FRAUD EXPERIENCE
Real-Time "Muling" Instructions

From: Vicken <vickentraders@aol.com>
To: "Antonella DrMendelson" <dr.mendelson@gmail.com>, "Vickentraders@aol.com"
BCC: "Vickentraders@aol.com"

Date: 4/10/2015 9:42 AM

Subject: $108,000 funds go here

$108,000 funds go here

Please get a cashier check for $68,000 and deposit here.

Morgan Insurance
1410 Giles Dr desoto tx.
Compass bank.

Routing #: 113010547
1120 Hines blvd Dallas tx

Morgan Realty LLC
5916 willow wood in dallas tx 75232

Dean morgan realty llc
3610 McKinney Ave
Dallas, tx united states
Account number: 420508365

Account number: 111006614

1106614

Please send $40,000 here.

$108,000 funds go here
Patrick Scruggs • 3rd
Assistant United States Attorney at U.S. Department of Justice
Tampa/St. Petersburg, Florida Area

Connect View in Sales Navigator
CAUSE NO. ______________

SUN TITLE AGENCY OF MICHIGAN, LLC, Plaintiff,
v. PERRY D. CORTESE, individually and d/b/a LAW OFFICE OF PERRY CORTESE, DEAN F. MORGAN INSURANCE AGENCY, INC., DEAN F. MORGAN, and MARK HOPKINS, Defendants.

IN THE DISTRICT COURT OF BELL COUNTY, TEXAS

PLAINTIFF’S ORIGINAL PETITION AND REQUEST FOR DISCLOSURE

Plaintiff Sun Title Agency of Michigan, LLC files this Original Petition and Request for Disclosure against Defendants Perry D. Cortese, individually and d/b/a the Law Office of
Ikechukwu “Ike” Derek Amadi
Priscilla Ellis
International Fraud and Money Laundering Scheme
Two Sentenced in Wide-Reaching Criminal Conspiracy
indicted as part of the conspiracy—one pleaded guilty and two are awaiting extradition from Canada. And eight other individuals have been charged separately.

And for Ellis, as if a 40-year prison term wasn’t long enough, she—while being temporarily held at a local jail right after her conviction in the money laundering conspiracy—tried to solicit other inmates to help her hire a hit man to murder several witnesses who had just testified again her at trial (and then attempted to undertake another financial fraud scheme to pay for the hit man). She was convicted on those charges in March of last year, and on January 4 of this year, she received an additional 65 years in prison—a term that will run consecutively to the 40 years she got for the original case.

The money laundering investigation was run by Special Agent Deven Williams out of the FBI’s Tampa Field Office—one of the original subjects was operating out of the Tampa area and had opened more than 80 bank accounts there.

According Williams, the investigation began when the FBI Atlanta Field Office—with a fraud victim who had wired money to a bank account in Tampa—sent a lead to Tampa requesting an interview with the owner of the bank count. “Also,” explained Williams, “a law firm in Tampa had been targeted by fraud and it approached the Tampa Police Department, who then referred it to the FBI. From there, we were able to link the two together.”
Okechukwu Desmond Amadi
Federal Grand Jury Subpoena

TO:
Sun Title Agency LLC
Attn: Tom Cronkright
1410 Plainfield Avenue, N.E.
Grand Rapids, MI Grand

SUBPOENA TO TESTIFY
BEFORE GRAND JURY

SUBPOENA FOR:
☑ PERSON  ☑ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE
United States District Court
801 North Florida Avenue, Fourth Floor
Tampa, Florida 33602-4511

COURTROOM
Hearing Room 4A/423

DATE AND TIME
08/30/17, 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

SEE ATTACHED. PLEASE PROVIDE IN ELECTRONIC FORMAT.

If you have any questions regarding this subpoena, please contact Special Agent Deven Williams, Federal Bureau of Investigation, at 813-253-1003.

In lieu of personal appearance before the Grand Jury, documents may be returned, along with a completed and executed Declaration of Obedience to Subpoena, to the United States Magistrate Judge, United States of America, Eastern District of Florida.
Federal Subpoena to Testify

Subpoena No. 2017R01483007

AO 89 (Rev. 01/09) Subpoena to Testify at a Hearing or Trial in a Criminal Case

UNITED STATES DISTRICT COURT
for the
Middle District of Florida

United States of America
v.
Okechukwu Desmond Amadi

Defendant

SUBPOENA TO TESTIFY AT A HEARING OR TRIAL IN A CRIMINAL CASE

To:
Tom Cronkright
Sun Title
1410 Plainfield Avenue, NE
Grand Rapids, MI 49505

YOU ARE COMMANDED to appear in the United States district court at the time, date, and place shown below to testify in this criminal case. When you arrive, you must remain at the court until the judge or a court officer allows you to leave.

Place of Appearance:
United States District Court
801 North Florida Avenue, Tampa, Florida 33602-4511

Courtroom No.: 17
Date and Time: 10/29/18, 09:00AM - Date Subject to Change

You must also bring with you the following documents, electronically stored information, or objects (blank if not applicable):
FBI Protective Detail
Main Takeaways

Wire fraud in real estate is a borderless crime

Personal and transaction-level details are obtained and used by cyber criminals

They strike with incredible precision and detail to convince someone to transfer funds
Action Items

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Ways to Help

• Education and awareness
• Data security and identity management tips
• Model guide to protect companies and consumers
Questions?
Let’s Connect!

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(616) 855-7180

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